

## Message Text

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46

ACTION NEA-12

INFO OCT-01 ISO-00 EB-11 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 COME-00

AGR-20 L-03 H-03 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03

USIA-15 PRS-01 NEAE-00 DRC-01 /142 W

----- 004112

P R 191150Z SEP 73

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC PRIORITY 1159

AMCONSUL KARACHI PRIORITY

INFO AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 8032

E.O. 11652: N/A

TAGS: EIND, PK

SUBJ: DAWOOD-HERCULES CO. & PUNJAB NATIONALIZATION OF  
FERTILIZER DISTRIBUTION

REF: ISLAMABAD 7971

1. IN FURTHER CONVERSATIONS WITH CHARGE SANDERHOFF, GEN. MGR. OF DAWOOD HERCULES (D/H) JOHN EAGAN SPECULATED ON HOW MARKETING WOULD DEVELOP UNDER PUNJAB PROVINIAL GOVERNMENT NATIONALIZATION. HE ANTICIPATES GOVERNMENT EFFORTS TO OBTAIN MORE LIBERAL CREDIT, AND REPORTS THAT ALREADY PUNJAB AGRICULTURAL SUPPLY CORP. (PASC -- THE ENTITY TAKING OVER DISTRIBUTION) HAS SOUNDED OUT PIDC ON FOUR MONTHS CREDIT TERMS. D/H HAS BEEN GIVING THREE DAYS, AND WOULD WANT RETAIN THOSE TERMS. EAGAN ALSO ANTICIPATES SQUEEZE ON PROFIT MARGINS, AND GOVERNMENT PREFERENTIAL TREATMENT OF IMPORTS WITH REGARD TO DISTRIBUTION.

2. EAGAN REPORTED HE AND OTHERS MET WITH MANAGING DIRECTOR PASC SEPT. 19. SAID HE TOLD PASC THAT D/H IS  
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ACCUSTOMED MAINTAINING LOW INVENTORIES, AROUND THREE

OR FOUR TONS, AND WOULD WISH PASC TO PURCHASE  
AND TAKE DELIVERY OF ANY AMOUNTS IN EXCESS OF THIS.  
EAGAN TOLD HIM ALSO THAT D/H WOULD WISH AFTER  
NATIONALIZATION TO BE LEFT IN NO WORSE SITUATION THAN  
BEFORE, E.G., CREDIT TERMS, ETC. PASC OFFICIAL LISTENED  
WITHOUT GIVING ANY COMMITMENT.

3. EAGAN BELIEVES SWEENEY, PRES. ESSO FERTILIZER,  
TOLD HIM HE WOULD NOT RPT NOT ANTICIPATE SIMILAR NATIONALI-  
ZATION MEASURE BY SIND GOVERNMENT, AND UNDERSTANDS ESSO  
HAS AN AGREEMENT WITH CENTRAL GOVERNMENT ON THIS MATTER.  
FURTHER UNDERSTANDS THAT CENTRAL GOVERNMENT MINISTER OF  
AGRICULTURE (RAISANI) HAS INDICATEDH THAT ESSO'S POSITION  
IN FERTILIZER MARKETING AND DISTRIBUTION FIELD WOULD NOT  
BE DISTURBED. (WE BELIEVE ESSO DISTRIBUTES ABOUT 75 O/O OF ITS  
OUTPUT IN SIND PROVINCE AND 25 O/O PUNJAB.)

4. FOR KARACHI: WOULD BE HELPFUL IF YOU COULD DISCUSS  
WITH ESSO AND REPORT.

DECON 6/30/74  
SANDERHOFF

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, INDEMNIFICATION, FERTILIZERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973ISLAMA08032  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** ISLAMABAD  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730925/aaaaasbk.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** ISLAMABAD 7971  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04-Jan-2002 by boyleja>; APPROVED <18-Jan-2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DAWOOD-HERCULES CO. & PUNJAB NATIONALIZATION OF FERTILIZER DISTRIBUTION  
**TAGS:** EIND, PK, DAWOOD/HERCULES FERTILIZER CO  
**To:** n/a  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005